Saskatchewan
Agriculture
and Food

FINAL REPORT

BEEF DEVELOPMENT FUND

19990391

FOUNDING PARTNER MEMBERSHIP IN THE WESTERN BEEF DEVELOPMENT CENTRE INC

Funded by
The Beef Development Fund

May, 2004
Prepared by: Western Beef Development Centre

105-00294/

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Beef Development Fund

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Abstract

Funding by the Beef Development Fund as a Founding Member was used for projects and technology transfer in order to obtain matching funds wherever possible.

Objective 1) Tech transfer to the cow-calf sector

" Cow-calf schools were undertaken across Saskatchewan

"Field days at Tremunde Research Farm demonstrated applied research of new technologies, varieties and management practices

"Factsheets, reports and newsletters were produced and distributed, including direct mailings

"WBDC attended a host of trade shows, seminars and conferences to transfer new technologies to primary producers

Objective 2) Improving beef cattle performance

"Economics of converting cropland to perennial forages VS continuous cropping annual forages with factsheet of results and costs

" Quality assurance model for Quality Starts Here at Tremunde

"Promotion of the North Dakota "CHAPS" managerial decision and herd performance program

" Evaluation of electronic ear tags with CCIA

" New technology demonstrations for producer adoption decisions

Objective 3) Centre of Excellence

" Beef economics and cost of production presentations

" Economics of backgrounding and finishing

" Economics of cow-calf production

" Costs of converting land to forage

Objective 4) Issues and Concerns of the Beef Industry

"Economics and marketing seminars across the province in response to the BSE situation

Commentary

Project title and description

The generation and distribution of information that will improve the economic performance of the western Canadian beef industry.

Milestones 2003 – 2004

1) Feedlot – Cost of Production – completion date of February 2004

During the 2003 fiscal year, the Western Beef Development Centre (WBDC) and specifically Tim Highmoor assisted twenty feedlots from across Saskatchewan in calculating costs of production associated with finishing cattle. This study was initiated to determine if there is a correlation between the size of feedlot and cost of production and to quantify feedlot yardage costs.

Feedlot yardage is broadly defined as the daily overhead costs associated with maintaining cattle in a feed yard.

A fact sheet which is included in section E of this report provides the results from the feedlot study and the average yardage costs in Saskatchewan.

Tim Highmoor also developed a feeding option calculator, which is a tool for producers thinking of feeding their own calves or for feedlot owners in determining how much to pay for calves for finishing. The "feeding option calculator" is available on the WBDC web site and is used to determine cost of production budgets for an individual operation. The calculator was promoted in the Canfax weekly report of October 17, 2003 (a copy is included in section C).

2) Quality Assurance program – completion date of December 2003

Quality Starts Here (QSH) is a national program that is chaired by the Canadian Cattlemen's Association (CCA) and has a committee with representatives from provincial and national producer groups, government, processors, veterinarians, the pharmaceutical industry, and marketing associations. This group has been working since 1994 to develop a producer driven, on-farm quality assurance program based on HACCP principles that focus on food safety and quality.

The cow herd at the Termuende research farm is currently being managed using Good Production Practices for cow-calf producers. Standard operating procedures are now in place for the implementation of the Quality Assurance Program (see attachment).

Review of Objectives

Objective #1 – Transfer knowledge to the cow-calf sector

1) Cow-Calf Schools

The WBDC continues to use the cow-calf school as a major tool for technology transfer. The overall goal is to provide an adult educational environment where producers can do hands-on exercises pertaining to cow-calf management practices, and to listen to educational speakers. The course outline involved providing topics in four main areas of ranch management and these included:

- Beef economics
- Grazing plans
- Marketing strategies
- Herd health management

There is a lot of emphasis placed on beef economics and business management because this is a major gap for most producers.

There also was a session on BSE with a telephone link to the Canadian Cattlemen's office in Calgary. Either Rob McNab or Cindy McCreath provided the latest information and they also answered questions from the crowd. The BSE sessions were very well received and much appreciated by those in attendance.

In terms of hands-on exercises, Dr. Harlan Hughes had everyone learn how to calculate "basis" and future calf prices based on different values for the Canadian dollar. There was also pasture planning with producers learning how to work with AUM's (animal unit months) and designing a grazing plan based on available resources. These hands-on exercises are very popular and need to be expanded in the future.

The format of the schools was changed in 2003-2004, with the 3-day school reduced to a 2-day school. The 1-day schools continued the same as last year.

Attendance at the 2-day schools was as follows:

- Lloydminister January 5&6th 49

- Moose Jaw January 7&8th 48
- Kenosee January 9&10th 37

For a total of 134 producers

Attendance at the 1-day schools was as follows:

- Kindersley January 15th 29
- Eastend January 22nd 31
- Kisbey January 24th 24
- Prince Albert January 30th 25
- Kelvington January 31st 20

For a total of 129 producers

The 1-day schools were more difficult to fill because of the announcement of the second case of BSE on December 23, 2003. Schools at Pierceland and Bengough had to be cancelled due to lack of registrants.

There were a total of 263 producers who attended the schools, which is the highest since the schools were started in 1999.

Evaluation forms were circulated to each attendee and the results are provided in section C of this report. In summary, the schools were very successful and almost everyone indicated they would attend again.

2) Field Days

The annual WBDC field day was held on June 25, 2003 at the curling rink in Lanigan and at the Termuende research farm. The Greenhouse Gas Mitigation (GHG) program was the main topic for the morning session held at the Lanigan curling rink. The theme used for the GHG seminar was "Greenhouse Gas: Agricultural Challenge or Opportunity". Mr. Glen Winslow, editor of the Canadian Cattlemen's magazine was the chairman and introduced the various speakers on the program. Dr. Kim Ominski, from the University of Manitoba, introduced the GHG topic and gave an excellent overview of the program and the status of GHG in Canada. Three speakers then gave presentations on GHG from their perspective, which provided the audience in-depth information on the implications for agriculture in the future. The program provided was the first time GHG had been discussed at a meeting with producers in Saskatchewan.

The people in attendance had a barbeque lunch and then went to the Termuende research farm for an afternoon of presentations and tours. There were approximately 250-300 people in attendance.

The WBDC also had a fall field day on November 12, 2003. There were approximately 20 producers who attended the afternoon event. Cold windy weather was a factor for the low attendance.

3) **Fact sheets, reports and newsletters**

There were fifteen fact sheets developed in the past year and these are included in section E of this report. These fact sheets are distributed at cow-calf schools, industry meetings and conferences, and major agricultural events in the province. They are also available in .pdf format on our website.

The WBDC also did a mail-out to 2500 producers in November 2003 involving 35,000 fact sheets which were very well received by those producers on the WBDC mailing list.

The WBDC is also a cooperator and contributor to the Livestock and Forage Gazette. The Gazette is printed and distributed bi-annually and is a joint effort of several organizations that decided to work together and publish one newsletter rather than each organization producing their own newsletter. This has been a successful partnership and is an efficient method of reaching producers (a copy is included in section E).

4) **Trade shows, seminars and conferences**

The WBDC attendance a multitude of events in the past year with the display booth and hand-out materials. This is documented very thoroughly in section B of this report.

Objective #2 – Develop methods to improve performance of beef cattle

1) Grain-to-Grass project

This project was conducted at the Lorne Christopherson farm at Weldon, SK. It is a three-year study that compares the economics of converting cropland to perennial forages versus continuous cropping with annual crops. A fact sheet "From Grain to Grass – What are the Costs?" outlines the results of the project and is included in section E.

2) Quality Assurance Program

The WBDC is attempting to use the Termuende farm and herd as a model for the industry. The "Quality Starts Here" program has been

implemented and this was discussed at length at the beginning of this report.

3) Cow herd appraisal

The WBDC has been actively promoting CHAPS to producers in the province. CHAPS 2000 is a data intensive beef production record software system designed to provide producers with vital information about their managerial decisions and herd's performance. CHAPS 2000 was developed by the North Dakota Stat University Extension Service in cooperation with the North Dakota Beef Cattle Improvement Association. To date we have sold approximately 300 programs to producers in Saskatchewan. The Termuende cow herd is also on CHAPS.

4) CCIA – evaluation of electronic tags

The WBDC has been using electronic tags in their calves for the past two years in cooperation with the Canadian Cattle Identification Agency. The CCIA will adopt Radio Frequency Identification tags (RFID) and begin to phase out the bar coded tags. Once the transition to the RFID is complete, full animal movement tracking may become a reality.

5) WBDC demonstration projects

The WBDC, and in particular the Termuende research farm, acts as a "guinea pig" for the industry by conducting various demonstration trials and projects on an annual basis. Producers can observe the results which usually contain all the necessary economic information and decide if they want to try the new ideas on their own operations. These projects are described in detail in section A of this report.

Objective #3 – Centre of Excellence

1) A major focus for the WBDC is beef economics and cost of production as there is no other organization or institution that can fill this gap with producers. To further emphasis this point, Tim Highmoor has been an expert on CAIS and its implications for cattle producers. Tim was asked to speak at several meetings during the past two months on CAIS and how it may benefit producers affected by one of the worst disasters in the history of the Canadian cattle industry. Tim was a speaker at the recent SARM convention in Regina which was attended by two thousand delegates from across the entire province. Tim again was able to explain how cattle producers can use the program as a risk management tool.

The WBDC is currently involved in three major beef economic studies:

The Economics of Backgrounding and Finishing Cattle in Saskatchewan. This is a two-year study to determine the economics of feeding cattle in Saskatchewan using twenty different operations of various size and management.

The Economics of Cow-Calf Production in Five Regions of Saskatchewan. The main objective of this two-year study is to examine the economics of cow-calf production in five different regions of the province. The study invclves thirty-five cow-calf producers in order to compare costs and profitability.

Identifying Costs of Converting Lands to Forage in the Aspen-Parkland and Moist Mixed Grassland Eco-regions of Saskatchewan. T his is a three-year study and will help producers understand the economics of moving to forages and livestock production.

A summary of the activities of the beef economist at the W BDC is provided in detail in section C of this report.

The WBDC is now viewed as a Centre of Excellence on cost of production and beef economics which has come about through the efforts and dedication of Tim Highmoor.

2) Outputs of the Research Community

This is a major project for the Centre and is being conducted by Dr. Bart Lardner. The primary objective is to develop a comprehensive database pertaining to all aspects of beef research in Canada. This is the first time such an undertaking has been done in Canada and once completed, will provide the most complete database available on beef research.

This project is of particular interest to funding agencies as they will now have a reference tool when they are asked for funding from the various research institutions. It is hoped such a database will avoid duplication of research and identify the various centers of excellence on beef research in Canada. A full report is included under section D of this report.

Objective #4 – Identify Issues and Concerns of the Beef Industry

The BSE crisis in Canada is certainly a major issue for beef producers; consequently, producers on the WBDC board of directors asked the staff to address this situation with a series of seminars.

BSE economics and marketing seminars were conducted across the entire province during the month of September 2003.

Location	Attendance
Rosetown	285
Maple Creek	262
Assiniboia	425
Kipling	500
Ituna	200
Tisdale	325
Shellbrook	325
Lloydminster	250
TOTAL	**2,572**

The seminars featured Dr. Harlan Hughes, a retired beef economist from the USA, who discussed various strategies producers needed to consider when marketing their calves in the fall of 2003. These seminars were very well received and it is estimated 15% of the beef producers in the province were in attendance.